

Annual Report of

**Matachewan Consolidated Mines,
Limited**



For the Year Ended December 31, 1976

ANNUAL MEETING JUNE 14, 1977

Matachewan Consolidated Mines, Limited

DIRECTORS

PAUL H. McCLOSKEY
H. P. McCLOSKEY
A. D. HELLENS
D. W. FALCONER
R. DUNCAN McCLOSKEY

OFFICERS

President PAUL H. McCLOSKEY
Vice-President H. P. McCLOSKEY
Secretary D.W. FALCONER
Treasurer S. CZARNECKI

TRANSFER AGENT AND REGISTRAR

CROWN TRUST COMPANY, Toronto, Ontario

AUDITORS

JORDAN AND JORDAN, Toronto, Ontario

HEAD OFFICE

Room 1110, 55 Yonge St., Toronto, Ont. M5E 1J4

The Annual Meeting of the Shareholders of the Company will be held in the Head Office, Suite 1110—55 Yonge St., Toronto, on Tuesday, June 14, 1977, at the hour of 9:30 o'clock in the forenoon (Toronto Time).

Matachewan Consolidated Mines, Limited

Directors' Report

TO THE SHAREHOLDERS:

Your Directors submit the Annual Report including the Auditors' financial statement, covering the year ended December 31st, 1976.

There were no significant changes in the overall position of the Company in the 1976 fiscal year.

No specific exploration or development projects were engaged in during the year.

At the time of writing this report a routine mapping and exploration project was started.

On behalf of the Board,

P. H. McCLOSKEY,
President.

Toronto, Ontario,
May 5th, 1977.

Matachewan Consolidated

(Incorporated under the laws of the Province of Ontario)

Balance Sheet - 1976

(with comparative figures for 1975)

ASSETS

	1976	1975
Current Assets:		
Balance in Bank	\$ 3,295	\$ 3,787
Short-term Deposits	\$ 56,000	\$ 70,500
Add: Accrued interest	176	70,500
Marketable Securities, at cost		
(Market Value - 1975 - \$91,200)	-	78,981
	<u>59,471</u>	<u>153,268</u>
Investments (At Cost)		
Securities having a quoted Market Value (1976 - \$148,348, 1975 - \$85,006)	282,133	191,702
Securities not having a quoted Market Value, less amounts written off	2,694	2,696
	<u>284,827</u>	<u>194,398</u>
Deferred Exploration Expenses	2,894	-
Mining Properties:		
Mining Claims	41,003	41,003
Property and Equipment	1	1
	<u>41,004</u>	<u>41,004</u>
	<u>\$388,196</u>	<u>\$388,670</u>

(See accompanying notes)

AUDITOR

To The Shareholders of
Matachewan Consolidated Mines, Limited
Suite 1110 - 55 Yonge Street,
Toronto, Ontario

Gentlemen:

We have examined the Balance Sheet of Matachewan Consolidated Mines, Limited for the year ended on that date. Our examination included a general review of the accounts and we considered necessary in the circumstances.

In our opinion, the accompanying Balance Sheet and the related Statement of Income for the year ended on that date are in accordance with the books and records of the company.

TORONTO, February 21, 1977

ated Mines, Limited

(Laws of Ontario)

December 31, 1976

(December 31, 1975)

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:

Accounts Payable	—	484
Accrued Liabilities	800	—
	<u>800</u>	<u>484</u>

Shareholders' Equity

Capital

Authorized

7,000,000 Common Shares—

No Par Value

Issued

5,923,250 Shares 1,179,455

Less: Deficit 792,157

1,179,455	387,346	792,157	388,186
	<u>5388,146</u>		<u>5388,670</u>

On behalf of the Board:

P.H. McCLOSKEY Director

R.D. McCLOSKEY Director

(ing notes)

REPORT

limited as at December 31, 1976 and the Statements of Deficit and Income for the procedures and such tests of accounting records and other supporting evidence as

of Deficit and Income present fairly the financial position of the company as at accordance with generally accepted accounting principles.

Respectfully submitted,

JORDAN AND JORDAN
Chartered Accountants

Matachewan Consolidated Mines, Limited

Statement of Income

FOR THE YEAR ENDED DECEMBER 31, 1976
(with comparative figures at December 31, 1975)

	<u>1976</u>	<u>1975</u>
Income:		
Interest Income	\$ 6,463	\$ 8,468
Dividends Received	6,512	5,218
Sundry Income	—	1,780
	<u>12,975</u>	<u>15,466</u>
Expenses:		
Office and Corporate Expenses	8,341	9,121
Licences and Taxes	2,342	2,369
Professional Fees	2,711	2,528
Ontario Capital Tax	107	89
	<u>13,501</u>	<u>14,107</u>
Income (Loss) Before Gain on Sale of Investments	(526)	1,359
One Half of Gain on Sale on Investments	236	260
Net Income (Loss)	<u>\$ (290)</u>	<u>\$ 1,619</u>

No provision has been made for income taxes because of Losses carried forward.

Matachewan Consolidated Mines, Limited

Statement of Deficit

FOR THE YEAR ENDED DECEMBER 31, 1976
(with comparative figures at December 31, 1975)

		1976		1975
Deficit				
Balance at Debit—January 1,		\$791,506		\$793,125
Add: Transfer to Capital Dividend Account ...	6,025			
Write-off of Investments	2			
Non-Business Foreign Tax Credit	734			
	6,761			
Less: Net Income (Loss)	(290)	7,051	1,619	1,619
		<u>798,557</u>		<u>791,506</u>
Capital Dividend Account				
Balance at Credit — January 1,		259		—
Add: Transfer from Deficit	6,025			
One Half of Gain on Sale of Investments	236	6,261	259	259
		<u>6,520</u>		<u>259</u>
BALANCE AT DEBIT — DECEMBER 31,		<u><u>\$792,037</u></u>		<u><u>\$791,247</u></u>

Matachewan Consolidated Mines, Limited

STATEMENT OF SOURCE AND USE OF FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1976
(with comparative figures at December 31, 1975)

	1976	1975
Source of Funds:		
Non-Taxable Capital Gain	236	259
Use of Funds:		
Net Loss (Income)	290	(1,619)
Transfer to Long Term Investments	90,431	—
Deferred Exploration Expenses	2,894	—
Purchase of Mining Claims	—	500
Tax Deducted at Source on Foreign Income	734	—
	94,349	(1,119)
Increase (Decrease) in Working Capital	(94,113)	1,378
Working Capital — January 1,	152,784	151,406
Working Capital — December 31,	<u>\$ 58,671</u>	<u>\$152,784</u>

To the Shareholders of
Matachewan Consolidated Mines Limited

NOTE TO THE FINANCIAL STATEMENTS

NOTE 1. Some 1975 figures have been reclassified to conform with presentation adopted in 1976.